

Ringkøbing Landbobank's Conflicts of Interest Policy

Pursuant to the Danish Financial Business Act and Delegated Regulation 2017/565 (MiFID II) a bank must have a written conflicts of interest policy.

Ringkøbing Landbobank's policy to prevent and manage conflicts of interest applies to all client relationships - including corporate client relationships - and to all the Bank's activities in connection with the provision of products and services to clients.

The policy sets out the circumstances that constitute or may give rise to a conflict of interest at the Bank. The policy describes the general measures adopted by the Bank to prevent and manage conflicts of interest.

In cases where the Bank's measures are not sufficient to prevent conflicts of interest from arising, they must be minimised and managed consistently and effectively so that they do not have negative implications for our clients and thereby be detrimental to the interests of the client. Consequently the Bank will loyally disclose to the client any conflicts of interest when there is a risk that clients' interests are wholly or partly compromised even if this may mean that the client will refrain from entering into the transaction etc with the Bank.

1. Circumstances that may give rise to a conflict of interest

A conflict of interest arises when the Bank, an employee or other persons connected to the Bank have a special interest in the client's choices or transactions and when there may be a risk that the interests of the client are wholly or partly disregarded or the client suffers a loss.

The circumstance that differing interests exist eg in an agreement or a contract, for instance where the Bank provides a loan to a client, does not in itself imply a conflict of interest even though the Bank has an independent interest in terms of revenue in providing the loan to the client.

Similarly advice given by an employee to a client may also be based on products and services offered by the Bank without involving competitors' products.

However if the employee in the course of providing products and services safeguards other interests which are irrelevant to the client and which are not known to the client, a conflict of interest will exist, in particular where there is a risk that the interests of the client are wholly or partly disregarded or the client suffers a loss.

A conflict of interest may for instance arise in situations where:

- the Bank or an employee etc may achieve a financial benefit at the expense of the client.
- the Bank or an employee etc has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client which is distinct from the client's interest in that outcome.
- the Bank or an employee etc has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client.
- the Bank or the relevant employee etc carries on the same business as the client.
- the Bank or the relevant employee etc receives or will receive monetary or other benefits from a third party in connection with providing services to the client (for instance commission from investment funds).

2. Principles for managing conflicts of interest

As a financial undertaking, Ringkøbing Landbobank is under a duty to act honestly, fairly and professionally in accordance with the best interests of its clients. We attach great importance to serving our clients in a competent manner and consequently a number of measures have been implemented to ensure that the interests of our clients are safeguarded in the best possible way.

Translation

The above is a translation of the Danish "Politik for håndtering af interessekonflikter i Ringkøbing Landbobank". In case of doubt the Danish original will apply.

We expect from the Bank's employees that they act at all times with due care, integrity, act professionally and in compliance with legislation, that they comply with market standards, and in particular that they always consider clients' interests.

Where the measures adopted are not sufficient to ensure, with reasonable confidence, that the risk of damage to the interests of clients will be prevented, the Bank must inform affected clients in a durable medium in sufficient detail to enable clients to make an informed decision about receiving the Bank's products or services.

2.1. Organisation

The Bank has an organisational and physical separation of functions to prevent that the same person or department safeguards the interests of the client as well as the interests of the Bank. This also establishes information barriers (Chinese walls) to ensure that information that can give rise to a conflict of interest is not disclosed without authorisation.

In cases where information that can give rise to a conflict of interest is nonetheless disclosed despite the measures implemented, the relevant employees are obliged to notify the Bank's compliance department. The compliance department keeps a record of the services and activities in which a conflict of interest may arise or has arisen and a report is submitted to the Bank's Group Executive Management by the compliance department on an annual basis.

2.2. Training

The Bank focuses on ensuring that employees receive training to enable them to identify and manage any conflicts of interest, also with respect to this policy.

2.3. Remuneration policy

The Bank's remuneration policy regarding employees involved in the provision of services to clients is designed in such a way that the fair treatment of clients is ensured and it does not contribute to creating conflicts of interest.

Any bonus schemes for employees are determined independently of the Bank's revenue as regards the individual transactions or clients.

2.4. Product Governance

The Bank has in place product approval procedures in connection with the manufacture, marketing and distribution of new products and services to clients. These procedures also serve to ensure that financial instruments are sold only to the target market in question as well as meet the needs of the target market in terms of investment objectives and risk profile etc.

2.5. General information to clients

Information on the Bank's business partners is available at www.landbobanken.dk. With respect to financial instruments, information is provided on commission that the Bank receives from or pays to these business partners as well as on the Bank's services to clients and the terms and conditions of these services etc.

2.6. Compliance

Ringkøbing Landbobank's compliance department assesses and monitors on an ongoing basis that the Bank complies with current regulation to prevent and manage conflicts of interest and that the Bank's business units and employees observe this policy to prevent and manage conflicts of interest.

The compliance department monitors that the individual business units have established the necessary business procedures and measures etc to prevent and manage conflicts of interest.

This policy is reviewed by the Board of Directors annually.

Valid from 14 November 2018